

**RESOLUTION
BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

In the matter of accepting the recommendation)
of the Employee Suggestion Committee regarding)
Employee Suggestion Number __OVL-001__)

RESOLUTION
92-113

WHEREAS, the Board of County Commissioners passed resolution number 91-80 which established an Employee Suggestion System to improve the overall effectiveness and work environment of Multnomah County,

WHEREAS, the Board of County Commissioners directed an Employee Suggestion Committee to review the submitted employee suggestions and recommend action to be taken by the Board,

THEREFORE BE IT RESOLVED THAT:

The Board of County Commissioners accepts the recommendation of the Employee Suggestion Committee and requests the Chair consider the suggestion for implementation.

Adopted this 18th day of June, 1992.



BOARD OF COUNTY
COMMISSIONERS
MULTNOMAH COUNTY, OREGON

By: Gladys McCoy
Gladys McCoy, County Chair

APPROVED AS TO FORM

LAWRENCE KRESSEL, COUNTY COUNSEL
OF MULTNOMAH COUNTY, OREGON

By: Lawrence Kressel
Lawrence Kressel
County Counsel



MULTNOMAH COUNTY, OREGON

COMMITTEE USE ONLY

Date Received: 2-13-92

File No: 06-001

EMPLOYEE SUGGESTION FORM

IMPORTANT: Please read the instructions on back before completing.

BE SURE YOUR IDEA IS THOROUGHLY UNDERSTOOD. WRITE YOUR SUGGESTION CLEARLY AND COMPLETELY. ATTACH EXTRA PAGES, CHARTS OR DRAWINGS, IF NECESSARY. IF YOU NEED ASSISTANCE, PLEASE CONTACT A MEMBER OF THE SUGGESTION COMMITTEE. IT IS NOT ENOUGH TO IDENTIFY A PROBLEM, YOU MUST OUTLINE ITS SOLUTION. PLEASE BE AS DETAILED AS POSSIBLE

PRESENT METHOD, CONDITION, or PROBLEM:

Present Cost:

Open payment by the county on Health / Mental Insurance Premiums. dependant on # of employees not currently signed up for their health

Example: When in the course of doing the budget, my supervisor asked me my about my choice of health providers and how many were included on my coverage. I was divorced (single) and had been for 2 yrs. The county however was paying my premiums at the family rate I had once had. When I divorced I had turned

Subtotal:

PROPOSED SOLUTION:

Estimated Cost:

Yearly verification forms sent to all county employees. This could be sent along with the "open enrollment form" now being sent out. could be a savings

Actually I would like to see a verification form sent out yearly that would not only take care of this costly problem but would also contain a lot of critical information to both the employee and the county. For example: Beneficiaries, extra insurance coverage carried or not carried

Subtotal:

Total Anticipated Savings(per year):

Type of Suggestion:

- Increased Efficiency
Improved Methods
Improved Service
Improved Equipment

- Reduced Costs
Waste Prevention
Increased Worker Health and/or Safety
Other-Please Specify

Date Submitted: 2-7-92
Request confidentiality: YES NO
Name of Suggestor: (please print) (Optional) NANCY VAN METRE
Phone Number: (Optional) X2788
Dept/Div: (Optional)
Mailing Address: (Optional) 106/1430

PRESENT THIS FORM TO A MEMBER OF THE SUGGESTION COMMITTEE OR SEND IT TO THE ESC, AT: B/101, R/134

Suggestor Signature: Nancy Van Metre (OPTIONAL)

continuation of:

PRESBIT METHOD, CONDITION, OR PROBLEM
into payroll a new W-4 form declaring
my new exemption status. I assumed
at that point that I had done what
was necessary by me and that any other
changes would be then made by payroll.

Since no health premiums come out of
my own paycheck I never noticed.

In my case the county was paying
about \$3,000.00 more per year than neces-
sary.



MULTNOMAH COUNTY OREGON

GLADYS MCCOY
COUNTY CHAIR

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M E M O R A N D U M

TO: Mark Murray, Employee Suggestion Committee

FROM: Merrie Ziady, Employee Health and Benefits Manager *mz*

DATE: March 5, 1992

SUBJECT: Employee Suggestion Regarding Benefits Enrollment Information

I have reviewed the employee suggestion attached to your letter of February 19, 1992 with regard to the idea of sending to all employees an annual verification of enrollment eligibility for the medical/dental plans to eliminate paying premiums/claims on ineligible people.

The suggestion is a good one and could potentially result in savings to Multnomah County. Becky Steward, the Benefits Specialist who handles enrollment, agrees that a problem exists, and at least some ineligible employee dependents are being carried on our plans. The basic problem is as follows:

Employees are given the opportunity to enroll in a medical/dental plan when they are hired, along with eligible dependents. Subsequently, they may add eligible dependents at open enrollment each year or within 30 days of a new eligibility, e.g., a new spouse or birth of a baby. If a dependent is no longer eligible under the plan eligibility requirements, employees should notify the County immediately. For example, in a divorce situation, the employee would ask the County to remove the ex-spouse from the coverage. Since we are not tracking employees' marriages and/or divorces, we depend on the employee to provide the information.

In the majority of cases, employees do notify the County when dependents are no longer eligible for coverage. However, as stated in the employee suggestion, if proper notification does not occur, the result may be continued coverage for ineligible dependents. Under the current system, some safeguards exist. For example, both ODS and Kaiser monitor dependent age. Once a dependent becomes too old (21 or 23, depending on plan), he or she is automatically dropped from the plan and the employee is notified. The ODS claims filing process also provides a checkpoint as it asks the claimant for eligibility status, i.e., spouse, dependent child. Furthermore, since we are self-insured, we do not pay a monthly premium;

Mark Murray
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rather, we pay claims as they occur. The likelihood of an ineligible dependent or spouse seeking reimbursement under the plan is fairly small. Under Kaiser, however, we would continue to pay premiums whether or not the ineligible dependent used the system, thus incurring inappropriate costs.

In the recent enrollment for Exempt employees, we asked all Exempt employees to complete new enrollment forms. One objective was to update our records and ensure that employees had listed only the eligible dependents they wished to cover. The result was two-fold, some employees added dependents, others deleted ineligible dependents.

In one instance, an employee continued to carry an ineligible dependent and took this opportunity to remove him from coverage. Because the employee was a Kaiser participant, the County had been paying a two-party monthly premium of \$222.82 instead of a one-party premium of \$111.41. If this kind of error occurs, for example, over a six month period, the loss to the County would be \$668. Developing a system that more effectively prevents errors such as described above makes good sense.

The solution submitted to the Employee Suggestion Committee, that is: annual verification of enrollment, might improve the process. However, we are not currently set up to efficiently provide such verification. The MSA Payroll/Personnel system does not currently have dependent information. Becky Steward, Benefits Specialist, has researched the system and reports that the capability does exist, at least for the inclusion of first names only. Before automatic verification of enrollment notices could be produced, we would have to input dependent information for 3,200 employees from printouts provided by ODS, Kaiser, and DentaCare, which would be a fairly time-intensive task.

Verification notices could be produced manually at this time, consisting of a form letter on which dependent information would be transferred by hand from the printouts produced by ODS, Kaiser, and DentaCare.

Since we don't really know how extensive the problem is, my recommendation would be to "pilot" the idea on a small subsection of employees, using the manually produced verification notice. If significant numbers of errors showed up, then we might have more justification for automating dependent information or manually producing verification notices for all County employees.

An alternative or supplement to the proposal would be to emphasize more clearly to employees their role and responsibility in ensuring that the County does not incur inappropriate and excess liability or costs. For most employees, it is simply an unintentional oversight. Nevertheless, reinforcing the idea of individual responsibility in containing health care costs is important, regardless of who "pays the bill".

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Participants who pay a portion of the premium, such as part-time employees, retirees, or employees on leave are more careful about deleting ineligible dependents as there is a direct effect on the pocketbook. Premium sharing, such as the ONA unit has just bargained, will also impact the problem and reduce the potential for errors. A small penalty for failing to notify the County when a dependent becomes ineligible might also impact the problem.

With regard to the suggestion made about supplying practical information such as supplemental life insurance amounts carried or beneficiary information, such a process would be, for the most part, a manual operation, as such information is maintained in paper files, not on the MSA system. MSA allows us to report individually whether or not supplemental life is carried, but does not define the amount. However, every five years when an employee moves into a higher age bracket with higher premium costs, he or she is notified by mail of the change in rates and the amount of life insurance in effect. Life insurance beneficiaries are maintained on 3 x 5 cards in Benefits, and PERS beneficiary information is forwarded to PERS.

In short, the idea deserves more consideration and perhaps a pilot research project as I mentioned. There is definitely room for improvement in the process but to make those improvements would initially require considerable staff time, as well as an increase in staff hours over the long run. A pilot project might provide information that indicates whether the potential savings justify the increased staff time.

For your information, about six hours of staff time were devoted to researching and supplying this information to you.

I hope this information is helpful to your process. Please let me know if I can be of further assistance. Thank you.

1257H/MZ/js

c: Curtis Smith
Becky Steward